

DAILY SUMMARY

CENTRAL INTELLIGENCE GROUP

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EUROPE

25X1

1.	RUMANIA: Soviet troop withdrawals—US Representative Berry reports that, the Soviets	
	have begun organizational preparations for the withdrawal, by 15 April, of all but four divisions of Soviet occupation troops (currently estimated at 10-12 divisions). the Soviet military commander will have under his command a formidable civil organization of Soviet operators to control the country in civilian guise.	25X1
2.	USSR: Violent propaganda attacks on USAccording to US Embassy Moscow, Soviet propaganda attacks on the US have reached an unprecedented intensity. The Embassy believes this attitude may be designed to cover up certain weaknesses made evident by recent failures of Soviet policy at home and abroad. In the Embassy's view, the present campaign is calculated to create among the Western Powers an attitude of pessimism regarding the forthcoming CFM meeting, so that the Western delegates will be grateful for even minor Soviet concessions.	25>
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4.	HUNGARY: Collapse of coalition Government again reported imminent—US Minister Schoenfeld reports that Premier Nagy now expects the Communists and Social Democrats to withdraw from the coalition Government, because the Smallholders Party refuses to waive parliamentary immunity for its former Secretary-General, Bela Kovacs, who has been accused by the Communists of participating in the alleged subversive plot against the Government (see Daily Summary of 27 January, item 5). Nagy fears that leftist-inspired disturbances would make it impossible for a purely Smallholders' Government to maintain order and that new elections may therefore have to be held.	
5.	FRANCE: Possible removal of key Army officers-	25X1
		25X1

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omment: Should Petit become Commanding General of	
Communists will have gone far in neutralizing the effective- my in putting down any Communist attempt to take control ment by force.)	
rther views on Greek economic crisis—Paul Porter, Chler- nic Mission to Greece, reports that the Greek economic cute that if the Greek Government awaits the final recom- his Mission, the situation will have "deteriorated to the ttle could be accomplished." Porter is therefore cooperat- S Economic Mission and the US-UK Currency Commission 'specific immediate undertakings by the Greek Government' ther wage and budget inflation.	
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25X6

FAR EAST

8. CHINA: Chinese Government reorganization—US Ambassador Stuart has been informed by the Generalissimo that the reorganization of his government will be undertaken "in the closing days of this month."

Courier ship delayed--Stuart also reports that on 23 February (2 days before the scheduled departure of the US courier ship for Dairen), the Soviet Embassy handed him a note stating that it could not notify the proper authorities concerning the ship's departure (as the US had requested) because notification must be made through US Embassy Moscow to the Soviet Minister of Foreign Affairs. The State Department has instructed Embassy Nanking to hold the ship pending further instructions.

US aid in capturing private foreign assets sought—T.V. Soong has informed US Treasury Attache Nanking that he is anxious to obtain from the US and UK Governments a list of private Chinese holders of assets in the US and the British Empire. According to Soong, the Chinese Government is considering taking steps to gain control of these private assets. Soong believes that without US and UK cooperation such steps "could not amount to much."

THE AMERICAS

- 9. PERU: Debt settlement offer unacceptable to US--US Ambassador Cooper, on instructions from Washington, has informed the Peruvian Minister of Finance that Peru's latest dollar debt settlement offer is "completely unacceptable" to the US.
- 10. VENEZUELA: Revolutionary movement is reported ready—US Military
 Attache Caracas reports that followers of ex-president Lopez Contreras
 assert that all local preparations for a revolutionary movement have
 been completed (see Daily Summary of 12 February, item 4).

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